



Dear Neighbor,

Over the past year, I have received a tremendous amount of correspondence from citizens across the entire 92nd District in regards to Indiana's property tax situation. As you know, the main focus of this session was property tax reform, and I would like to take this opportunity to update you on the property tax legislation that was recently passed.

We passed House Enrolled Act 1001 at the end of session. This plan will result in immediate property tax relief on an average of 15 percent for all property taxpayers, providing almost \$900 million of additional property tax relief in 2008. HEA 1001 provides circuit-breaker protection for all classes of taxpayers and will be phased in completely by 2010 at 1 percent for homesteads, 2 percent for agricultural and rental property, and 3 percent for business property. In addition, HEA 1001 includes added protections for seniors, disabled and low-income Hoosiers.

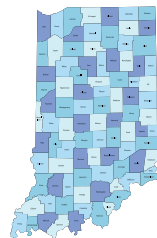
Another important provision in HEA 1001 places controls on local spending. To allow citizens to become more involved in local government decisions that will impact their property tax bills, HEA 1001 requires a referendum on certain capital building projects, including schools.

Some of the greatest concerns with this property tax reform package have focused on decrease in funding for schools and local governments. Education and public safety are obviously valuable resources for our communities, and HEA 1001 included provisions to address these concerns.

While HEA 1001 is not perfect, it is a huge step to restructuring the tax system and moving away from our reliance on property taxes. If Hoosiers had not voiced their opinion on the plan, I believe it would have turned out worse. This is a great example of the type of positive change that is possible when citizens become involved in the legislative process. If you have any questions regarding the provisions passed in HEA 1001 or any other bill, please don't hesitate to contact me.

Sincerely,

Phillip D. Hinkle  
State Representative



STATE REPRESENTATIVE  
**Phil Hinkle**  
HOUSE DISTRICT 92  
200 W. Washington St • Indianapolis, Indiana 46204

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# HOOSIERS *demand* *property tax* REFORM.

State Rep.  
**PHIL HINKLE**  
*delivered.*







# Immediate Relief. PERMANENT Reform.

The General Assembly's property tax plan, outlined by Gov. Mitch Daniels and the House Republicans' "Standards for Success," created the largest property tax cut in state history. The plan offers Hoosier taxpayers immediate relief and the promise of permanent reform. The work must continue if real reform is to be permanent.

## For Hoosier homeowners.

- Homeowners will see \$620 million in immediate relief for 2008.
- \$1 billion has been removed from property tax levies.
- Referenda empower voters to control or allow spending.
- \$140 million of additional relief is planned for 2009, and \$80 million of relief in 2010.

## For all Hoosier property-tax payers.

- The plan cuts now and forwards the process to cap property taxes forever through a constitutional guarantee of permanent caps of 1 percent of assessed value for homesteads, 2 percent for rental and agricultural properties and 3 percent for all others.
- The plan closes loopholes that allowed more government spending.

## For local governments.

- At the county level, the costs of four child-welfare levies, juvenile incarceration and health care for the indigent are removed from property taxes. The state picks up these costs.
- At the municipal level, it removes from property taxes the remaining pre-1977 police and fire pensions, and it includes support for police and fire services. These costs are covered by the state.

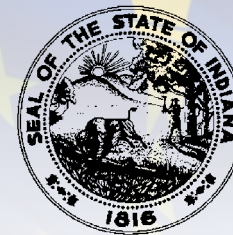
## For Hoosier schools.

- The plan removes school operations and special education preschool costs from property taxes. The state will pick up these costs.
- It also includes \$120 million in circuit-breaker relief and increases the tuition reserve fund money to \$400 million.

## For low-income Hoosiers.

- The plan includes an overall decrease in taxes for many low-income taxpayers through renters' deductions, caps for low-income senior-citizen homeowners and earned-income credits.

*Well before the session  
began...we wanted the  
best results for  
Hoosier taxpayers,  
not Hoosier  
tax-spenders.*



State Representative  
**Phil Hinkle**

I have always valued your input, thoughts, concerns and ideas. Here is some important contact information to reach me directly, as well as other important contact information you may find helpful:

## Contact Representative Hinkle

Statehouse Office:	317-232-9600
E-mail Address:	<a href="mailto:h92@iga.IN.gov">h92@iga.IN.gov</a>
Web site:	<a href="http://www.in.gov/h92">www.in.gov/h92</a>
Mailing Address:	200 W. Washington St. Room 401-3 Indianapolis, IN 46204

## Important Numbers

State Information Center	800-457-8283
Federal Information Center	800-688-9889
Indiana House	800-382-9841
Indiana Senate	800-382-9467
Gov. Mitch Daniels	317-232-4567
Sec. of State Todd Rokita	317-232-6531

## STREAMLINING HOOSIER GOVERNMENT

During this past session, we took major steps in reforming how property taxes are calculated. The biggest change is that property tax levies are capped beginning in 2010 at 1 percent cap of assessed value for homeowners, 2 percent for agriculture and rentals and 3 percent for businesses. These new policies will provide some certainty to what seemed to be ever-increasing bills.

If honest property tax reform is to be made permanent we must take a serious look at real government reform. One change we did make eliminated the township assessor in smaller areas of the state, cutting the total number of assessors from 1,100 to 134. In November, the public will vote whether to keep 42 of those assessors in larger townships. In one year, it is possible to go from 1,100 assessors to 92. While these changes result in less bureaucracy, there is still more work that needs to be done.

Last year, Gov. Mitch Daniels asked former Gov. Joe Kernan and current Indiana Chief Justice Randall T. Shepard to look at ways to streamline and update Indiana's government structure. In December, the Kernan-Shepard Commission presented its conclusions on reforming government — 27 far-reaching recommendations that would modernize Indiana's government.

At the time of the report, Indiana had 10,746 elected officials on all levels of government, but because of our work this year, we will have almost 1,000 fewer elected officials. Another example of bloated government is Indiana's 2,730 units of government that are able to levy property taxes, which is the 10th-highest total in the country. The report concluded that, "For its size and population, Indiana has far too much local government."

In the 2008 legislative session, there was not time to deal with revamping property taxes and restructuring Hoosier government. Next session, I anticipate working on some of these recommendations. We will have had over a year to think about their impact and how they may help or hinder our serving the public. Any changes made with regard to reforming government must be carefully considered and fully thought through. Property tax payers cannot afford our making any more mistakes.

To view the full report online, go to [http://indianalocalgovreform.iu.edu/assets/docs/Report\\_12-10-07.pdf](http://indianalocalgovreform.iu.edu/assets/docs/Report_12-10-07.pdf).